

BUSINESS PLAN FOR LEMISH PHARMACY



ASHESI UNIVERSITY COLLEGE

BUSINESS PLAN FOR LEMISH PHARMACY

Undergraduate Applied Project submitted to the Department of Business Administration,  
Ashesi University College in partial fulfillment of the requirement for the award of  
Bachelor of Science Degree in Business Administration

B.Sc. Business Administration

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## **DECLARATION**

I hereby proclaim that this paper is the production of my own original work and that no part of it has been given for another degree in this university or elsewhere.

Candidate's Signature: .....

Candidate's Name: Priscilla Vera Okpoti - Paulo

Date: 11<sup>th</sup> May 2020

I hereby declare that the preparation, study and presentation of the Applied Project were supervised in accordance with the guidelines on supervision of Applied Project set by Ashesi University College.

Supervisor's Signature: .....

Supervisor's Name: Dr. Gordon Adomdza

Date: 11<sup>th</sup> May 2020

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**ABSTRACT**

Lemish Pharmacy is a pharmaceutical company that focuses on administering drugs to people in need of it and offering counselling to patients in one medical situation or the other. The company has 2 employees who attend to customers and suppliers during the day and in the evenings. There are several problems that the company is facing but the main cause is that they lack a business plan that would guide their operations and help in better decision making. The lack of a business plan has made investment, expansion and financial performance ineffective.

Research from interviews reveal that the company has the potential to perform better as most customers are generally satisfied with the customer service of the company. Employees and suppliers are able to relate on good terms. It was also found out that the company's main problem has led to the development of other problems.

Literature from professionals also show that companies that have a business plan can structure their operations, develop strategies towards value creation and profitability as well as plan for the future.

With a business plan, Lemish Pharmacy can become more effective in running its operations, dealing with suppliers and other business partners as well as gaining competitive edge over other community pharmacies. The business plan incorporates aspects of a business that are crucial to running a profitable business. With patience, drive and focus, Lemish Pharmacy can perform better than it currently is performing.

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## **CHAPTER 1: INTRODUCTION**

### *1.1 Chapter Overview*

This chapter explores the essence of the project; focusing on the research objectives to be achieved. The company profile of Lemish Pharmacy is spelt out to determine the main focus of the business and understand its operational system. A SWOT analysis on the company is done to determine the strengths, weaknesses, threats and opportunities of the business that contribute to its effective and efficient operations. Internal and external factors that would affect the performance of the business are explored using the PESTLE analytic tool – providing analysis on political, economic, social, technological, legal and environmental influences on the business.

### *1.2 Relevance & Objective of Study*

Developing a business model is a strategy that every business must adopt, whether small or big. This enables firms to define how they wish to achieve goals and set targets. A business model serves as a guide for growth and transformation of businesses, as they can detail out specific operations that need to be undertaken (GoForth Institute, 2010). This project, therefore, aims to provide Lemish Pharmacy with a strategic business model that would help the business to achieve its vision. Providing a growth and sustainable model would serve as a guideline for the business in terms of its operations in various departments such as marketing, supply chain and so on (GoForth Institute, 2010). This growth strategy is to move Lemish Pharmacy into profitability and sustainability so that it can achieve its



objectives. The many problems facing the business would receive strategic implementable procedures and solutions from this project.

### *1.3 Company Profile*

Lemish Pharmacy Limited is a pharmaceutical company that provides care and medications for persons of different income levels or classes. It is a registered pharmacy with its head office at Mataheko, outer ring road, Hse # B181/14. Currently, it is the only branch in existence. The business is managed and run by a renowned licensed pharmacist, who studied pharmacy at the Kwame Nkrumah University of Science and Technology. He oversees and runs the operations of the Pharmacy - making decisions pertaining to employees, customers, profit sharing and general operations and strategies needed to be implemented. The pharmacy was established as a limited liability company. Antibiotics, antimalarials, anti-infectives, cold and cough remedies, pain - killers, dressings, cosmetics and toiletries are the main products that the pharmacy deals in. Its main services are to provide advice on healthy living, counseling on rational use of drugs, as well as curative and preventive services, pain management and the treatment of common ailments such as malaria. The firm's employees (2 permanent and 1 non-permanent) are deputies who assist in providing pharmaceutical care to the community and other interested citizens. Medications sold are purchased from registered importers and wholesalers. The firm has had success stories where patients have called back to express their gratitude for the medical care given to them by the pharmacy. This implies that the firm's customer service is satisfactory.

*1.4 Swot analysis**Table 1:SWOT Analysis*

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Capacity to provide services to all income-classes.</li> <li>• Trust and reliability by customers</li> <li>• Problem solver - accuracy in administering drugs</li> <li>• Good communication skills</li> <li>- Ability to understand the problems / needs of customers.</li> <li>• Attention to details</li> <li>• Main supplier of drugs to hospitals</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of business plan</li> <li>• No proper training for employees</li> <li>• Poor organizational structure</li> <li>• Lack of right tools and equipment.</li> <li>• Poor recording keeping.</li> <li>• Poor supervision</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Access to the resources of the Pharmaceutical Society of Ghana.</li> <li>• Recommendation by current customers to potential customers.</li> <li>• Accessibility to different classes of people.</li> </ul>	<ul style="list-style-type: none"> <li>• Inflation</li> <li>• Poor economic performance</li> <li>• Competition</li> </ul>

#### *1.4.1 Strengths*

- ***Capacity to provide services to all income-classes***

Lemish pharmacy is able to provide products and services for people of different income- levels. As such, the firm is able to meet the needs of its customers and potential customers.

- ***Trust and reliability by customers***

The firm has been known to give counselling and prescriptions that are beneficial to customers. Also, the company is registered and therefore, regulated by standards of the Food and Drugs Authority. This gives customers and patients trust in the firm.

- ***Problem solver - accuracy in administering drugs***

The firm can administer high quality and appropriate drugs to customers, and this meets their need. They address the problems that affect the health of these customers. Counselling and advice given, also enables patients to make good choices that promote their health.

- ***Good communication skills***

Employees can understand the needs and wants of their customers and relay the necessary information to them.

- ***Attention to details***

The firm is very meticulous in its operations. For example, the firm pays attention to the expiry dates of drugs when purchasing and administering drugs to patients. The firm also pays attention to the symptoms that patients show and describe, in order to prescribe the right medicines.

- ***Main supplier of drugs to some hospitals***

Lemish Pharmacy has what it takes to become a major supplier of drugs to hospitals that wish to employ its services. Referrals and recommendations by customers, suppliers and other stakeholders could give the pharmacy more opportunities to supply drugs to more hospitals.

#### *1.4.2 Weaknesses*

- ***Lack of business plan***

Although the firm knows the area of business they are into, they do not have a business plan that outlines the various operations and procedures needed to be followed to attain efficiency.

- ***No proper training for employees***

There are no laid-down procedures concerning on-the-job training and workshops that would enhance the capabilities of the employees.

- ***Poor organizational structure***

The roles and responsibilities of the firm are not clearly defined and spelt out, affecting the level of efficiency in the workplace. Information transparency and communication is affected since communication channels are not efficient.

- ***Lack of right tools and equipment***

Necessary tools, equipment and technologies needed to save time, ensure efficiency and effectiveness of resources are insufficient.

- ***Poor record keeping***

There is hardly any reliable method for keeping records on the operations of the firm. Consequently, relevant information is occasionally missed, uneasy to trace or even lost and this makes response to situations quite slow sometimes.

- ***Poor supervision***

There is little supervision and checks on the daily operations of the firm. Employees are sometimes left to take decisions based on their discretion. This sometimes leads to disagreements in approaches used in dealing with situations.

#### *1.4.3 Opportunities*

- ***Access to the resources of the Pharmaceutical Society of Ghana***

Lemish Pharmacy is a part of the Pharmaceutical Society of Ghana since it is registered. This gives it access to the Society's resources for use in operations and implementation of strategies.

- ***Recommendation by current customers to potential customers***

Satisfied and loyal customers may refer their friends and families or any other person to the pharmacy due to the good treatment and benefits obtained from the pharmacy. This could increase the status of the firm.

- ***Accessibility to different classes of people***

The firm does not have a specific target market and therefore provides services for persons in need. They range from the poor to the rich, from the young to the old and from the natives to the foreigners. This allows the firm to access a wide market and gain a lot of revenue.

#### *1.4.4 Threats*

- ***Inflation***

Increase in prices of goods on the general market could affect the pricing of the drugs. The purchasing power of lower- income persons may be affected, reducing the customer base of the firm.

- ***Poor economic performance***

In cases of economic crisis, the firm's ability to purchase goods in bulk and on credit may be affected. The operations and activities of the firm would also be affected as the financial base of the firm may become unstable.

- ***Competition***

Competition from bigger retailers and manufacturers could leave Lemish Pharmacy with a small share of the market. If Lemish does not differentiate its products and services well, it is at risk of being wiped out by giants in the market or industry.

#### *1.5 Industry Analysis*

Conducting an industry analysis serves an approach for market assessment (LaMarco, 2018). This assessment focuses on market conditions, competitions and how demand and supply work within that industry. This analysis helps firms to analyze profitability, determine existent and potential threats and opportunities as well as make future projections.

Lemish Pharmacy operates in the Pharmaceutical Industry of Ghana. The main aim of pharmaceuticals in Ghana is to give all citizens access to relevant and essential medicines,

provide quality drugs, ensure an effective and reliable supply chain and directions on the appropriate use of medicines by both experts and patients (Business-to-you,2016).

### *Pestle Analysis*

This is an analytical tool and framework that would be used to evaluate and assess the impact of macro-economic and environmental activities on the performance of the pharmacy (Business-to-you, 2016). This would be used to analyze the pharmaceutical industry.

#### *1.5.1 Political Factors*

This describes the level of intervention and influence the government has in the pharmaceutical industry. The Health Industry wishes to grow and strengthen the pharmaceutical industry through national health policies. There have been major improvements by the National Health Insurance Scheme (NHIS) to increase the access of insured patients to drugs and facilities. However, fraud and the wrong prescription of drugs have increased the risk of increasing medical bills which is threatening the sustainability of NHIS, in terms of its finances (Seiter & Gyansa-Lutterodt, 2009). The organization that influences the behavior of suppliers and buyers of medicines through price and quality is the National Health Insurance Authority (Seiter & Gyansa-Lutterodt, 2009). The policies and improvements made by the Ministry of Health (MoH) would cause growth in the pharmaceutical sector.

*1.5.2 Economic Factors* – This has to do with factors such as interest rates, exchange rates, disposable income and other factors that affect an economy's performance and the citizen's purchasing power. The introduction of health insurance in Ghana has increased the ability of patients to access facilities and drugs. This has placed pressure on suppliers of drugs due to high demand. For example, according to the World Health Organization (WHO), malaria cases had amounted to about 7.2 million in 2006. A lot of money was invested in acquiring anti-malarial drugs for patients. As at 2014, sales in the pharmaceutical industry amounted to USD 12.29 per capita, when compared to countries such as Zimbabwe and Cote D'Ivoire. The increased urbanization and infrastructure have shot up the purchasing power of more households (Goodman AMC Blog, 2017). This means that the pharmaceutical industry is profitable, and Lemish Pharmacy can partake in reaping its profits.

*1.5.3 Social Factors* - This includes norms, customs, and the belief system of a group of people.

Traditional beliefs of Ghanaians have a huge impact on the healthcare system in Ghana. Traditional practices, which include spiritual measures, use of religion and appeals to ancestors are patronized when there are no medical professionals to attend to some groups of people. Herbal treatments and certain rituals and customs are encouraged by traditional priests. Ghanaians tend to believe in the supernatural, especially when they do not have access to medical treatment (Mantey, 2009). Traditional medicines and traditional medicine practitioners have been approved in the health care system. There has also been the establishment of the Traditional and Alternate Medicines Directorate of the Ghana Health Service. The Food and Drugs Authority has introduced procedures that would help



in the registration of herbal products (National Drug Policy, 2004). This places pharmaceutical companies like Lemish Pharmacy at an advantage, where they could access a larger market - those who believe in traditional medicine and those who resort to unorthodox medical practices. However, the company may also be at risk of losing traditional users, if they do not get access to medicines or their medicines do not solve their problems.

*1.5.4 Technological Factors* - This factor highlights the innovations and inventions in technology that are likely to affect the pharmaceutical industry and its market. The pharmaceutical manufacturing industry in Ghana has received help from five German companies to improve and increase the efficiency levels of production of medicines in Ghana. This partnership is aimed at strengthening medical technology and pharmaceutical industries. Both parties would benefit from knowledge sharing, strategies, practices and procedures that would promote growth and reduce the level of importation of drugs. This would attract more investment into the country. (GhanaWeb, 2014). Lemish pharmacy has the opportunity to expand or branch into manufacturing as it can access efficient methods and practices, as well as technology that would boost operations and production. Also, new technologies for marketing communications are being used due to the general advancement of technology - making marketing more interactive (Owusu, 2017).

*1.5.5 Legal Factors* – These spell out laws that govern the operations and trading of pharmacies. The Food and Drugs Authority is the legally accepted entity that regulates the pharmaceutical sector (Seiter & Gyansa-Lutterodt, 2009). There are various acts and laws

that the Pharmaceutical Society of Ghana has to perform and obey. These laws and policies include the Public Health Act, Health Institutions and Facilities Act, and Ghana National Drug Policy, among others (Pharmaceutical Society of Ghana, n.d). These laws would enable Lemish Pharmacy to leverage on the efficiency that the government is promoting in the industry. This could also boost the confidence of consumers in the pharmacy once they know that the pharmacies are being regulated (UKessays, 2016).

*1.5.6 Environmental Factors* - These factors are factors that affect the environment in general like the weather, climate and pressure from society for Corporate Social Responsibility. Society expects more social impact from companies in the form of Corporate Social Responsibility (CSR). People in society tend to ponder over who could contribute to solving prevailing problems. As such, they believe that firms are to show concern for individuals and the society at large and not just their shareholders. An efficient way for a company to define its CSR is through interactions with relevant stakeholders - both individuals and groups that are impacted one way or the other by the activities of the firm (Leisinger, 2005). This would allow Lemish Pharmacy to add value to the community in which it is located - causing the stakeholders to value the firm more. On the other hand, if the firm does not have the means to help the community, then it may be facing a lot of pressure from society to venture into something it is not ready for.

### *1.6 Porter's Five Forces Analysis*

#### *1.6.1 Threat of New Entrants*

The profitability and gains in the pharmaceutical industry cause new firms to enter the industry. When new entrants get access to start-up funds through venture capitalists who are willing to invest their money, entering the pharmaceutical industry becomes lucrative. However, these small new entrants are not seen as threats to those already in the industry. Start-up investors choose to exit when the beginning stages of products have occurred. There seems to be low barriers to entry as it is easy for new entrants to emerge. Expected retaliation is also minimal as new entrants are not seen as threats (Whiteside, 2020).

#### *1.6.2 The Power of Suppliers*

The raw materials used in the manufacturing of drugs come from products found in the chemical industry. These products are easy to come by and readily available from various sources. Due to this, suppliers have little bargaining power in the pharmaceutical industry. Many manufacturers tend to own the equipment needed for research development and manufacturing. This has also caused suppliers to be moderate in the pricing of materials and equipment that are unique and rare. Suppliers can be price sensitive when it comes to substitute products as there are quite a number of substitutes in the pharmaceutical industry (Whiteside, 2020).

#### *1.6.3 Power of Buyers*

The pharmaceutical industry is one unique industry among other industries in terms of patients' (buyers) ability to influence prices. Patients do not have any power to dictate or

negotiate prices. Physicians who prescribe drugs do not have the liberty to profit from the sale of drugs. However, those who pay for the drugs (insurance companies) are the only ones who can influence the amount paid to the distributors of drugs. This then means that those who have some level of bargaining power are pharmacies and medical institutions that give prescriptions. However, these pharmacies and medical institutions have little bargaining power when it comes to dealing with suppliers (Whiteside, 2020).

#### *1.6.4 Threat of substitutes*

Individual drugs that are protected by patents, have the ability to cure major diseases and are marketed first, make lots of money. Drugs created at a later time to solve a common disease would take longer to regain the costs of Research and Development invested. When the patent of a drug is lost, some manufacturers begin to sell duplicates at reduced prices. The duplicated drugs are made of lower quality materials. This causes the reputation of companies with legitimate products to be destroyed, hence, affecting their profits. Switching to branded products from a generic product may cause switching costs to be higher but from a branded product to a generic or duplicate product may be cheaper. Based on the price and the performance of drugs, people would determine the brands they wish to purchase (Whiteside, 2020).

#### *1.6.5 Threat of rivalry*

Intellectual property's importance has led to some form of competition or aggressiveness for high-profile workers and researchers. Information that could give other companies a competitive edge is kept by the owners of the information. However, nondisclosure clauses may not be effective in preventing such information from reaching others. If such

information is to go public, substitutes could be created. There has been a pattern of large and emerging firms taking over and purchasing smaller firms that have some research or new drug development potential (Whiteside, 2020).

## **CHAPTER 2: NEEDS ASSESSMENT**

### *2.1 Chapter Overview*

This chapter discusses problems identified in Lemish Pharmacy through research, the type of research conducted, the procedures used to undertake the research and analysis of data gathered. The problems would be described to highlight the needs of the pharmacy. This would help to generate a solution that would create value for them and turn them from a distressed company to a self - sustaining one.

### *2.2 Needs Assessment*

A needs assessment is a procedure employed by organizations and institutions to determine and define the various problems and challenges that need to be addressed (Cuiccio & Husby-Slater, 2018). This allows an organization to focus its resources on important areas that need improvement. A business is able to obtain and understand the possible differences between the current state and desired results of the business (Cuiccio & Husby-Slater, 2018). Research conducted during this assessment would enable organizations to identify organizational needs in different areas of operations and provide them with the opportunity to think through how to meet the identified needs. Conducting research on Lemish Pharmacy would provide inputs for understanding their operations and procedures.

### *2.3 Research Methodology*

Qualitative research was used in this project. Qualitative research is a type of research that is based on human understanding and insights from a group of research participants

(Pathak, Jena & Kalra, 2013). The assumption made conducting research was that subjects would be willing to participate in the data collection process.

### *2.3.1 Research Objectives*

This project sought:

- To understand the operations of the firm.
- To find out the current state of the firm - what the firm is doing well in and what it is not doing well in, and
- To find out why the firm cannot achieve its long and short business goals.

### *2.3.2 Sample Selection*

The research participants were the owner of Lemish Pharmacy, 2 employees, 5 suppliers, 1 person from the Pharmacy Council, 1 person from Ghana Revenue Authority (GRA), 1 person from the Pharmaceutical Society of Ghana (PSG), 1 external auditor and 30 customers. Due to the fact that business models focus on the entirety of a business, a more beneficial and efficient research would be conducted if all the influencers and stakeholders of the pharmacy were consulted. The owner has only 2 employees, an external auditor and 5 suppliers; so all of them were asked questions to obtain meaningful and concrete information about the company. The Pharmacy Council is a regulator of pharmacies in Ghana and as such engaging them in this research helped to understand the obligations and expectations of pharmacies in Ghana. Lemish Pharmacy belongs to the Pharmaceutical Society of Ghana, and they have an influence on its members through knowledge sharing and other beneficial activities. Due to this, getting information from them helped to understand some resources and advantages that the pharmacy has at its disposal. Ghana

Revenue Authority was included in the research to provide an understanding of the state of the company in terms of their ability to pay taxes. 30 customers were engaged over a period of 3 weeks due to school attendance. Only a few customers come to the shop in a day, so it was difficult to reach many customers. Therefore, the sample size for the research was 42 participants. The convenient and simple random sampling methods were used in reaching the research participants. Simple random sampling was used on the customers because each of them had an equal chance of being a partaker of the research and convenient sampling was used on the other participants based on their availability (McCombes, 2019).

### *2.3.3 Data Collection*

The research design included the data collection methods - interviews and observations. These different methods were meant to ensure coherence in responses and information received. This was done to enable observations explain responses obtained from interviews. The data collection lasted for 3 weeks. This was due to time constraints since lectures were ongoing throughout the week.

#### *2.3.3.1 Interviews*

The interview types used in this research constituted face-to-face interviews and phone call interviews. Interview questions were set differently for the different groups of research participants. The questions were semi-structured to allow for information on follow-up questions (room for probing) while staying focused on the research objectives. Face-to-face interviews took place with some customers, a representative of the Pharmacy Council, representative of Ghana Revenue Authority, 1 supplier and the employees. The face-to-



face interviews had a duration of 5 to 10 minutes for customers and 15 - 25 minutes for the others. However, due to time constraints in terms of availability, the interview questions were typed, printed and left at the pharmacy shop for customers to fill. Customers were asked if they were willing to participate in the research by taking a few minutes to answer questions asked. This was done after they had purchased what they needed from the pharmacy. If they agreed, they were given a pen and a copy of the questions to answer. Phone-call interviews were conducted with 4 out of 5 suppliers, the external auditor and a representative of the Pharmaceutical Society of Ghana. These lasted for about 15 minutes each.

*Table 2: Interview Insights*

Owner	Employees	Suppliers	Pharmacy Council	Pharmaceutical Society of Ghana	Customers
Lack of leadership is affecting the growth of the firm.	There are poor & insufficient facilities (spoilt fans, rusted infrastructure etc)	The company is on good terms with its suppliers.	Ensures all pharmacies are registered.	Recommendations are given from unannounced assessment visits.	Company has good customer service.
Describes the firm's state as a distressed state.	External environmental forces affect the company negatively.	Company does not follow payment plan.	Ensures pharmacies follow laws that govern their operation.	Dues are paid for programs held for members (pharmacies) of the society.	Company has good and quality drugs.
Firm follows standard procedures.	Drugs available meet the needs of customers.	Payment is taken on credit and cash basis.	The Council regulates pharmacies in Ghana.	Company has access to information on drugs	There is low stock

A switch to a computerized system is desired.	There is low stock of drugs.	New orders are only taken when pharmacy has cleared previous payments		Company has access to strategic program sessions.	There is lack of variety or specific drugs needed.
Firm has inadequate medical services.	Archaic operations are being used.	Drugs delivered to pharmacy are registered.		Companies have access to information on diseases.	More services (eg taking of temperature) are expected. Proximity is advantageous to them.
Economic power of customers nearby is low.	There is lack of variety of drugs.			The society helps to meet the needs of its members.	
				Practice groups are held to generate strategic plans.	

Common themes that run through the responses of the employees are low stock of drugs, lack of variety of drugs, poor and insufficient facilities, archaic ways of operations and negative external forces. The company has facilities that are in bad shape and need to be changed. Examples are their fans, chairs and fridges. Instead of computers being used for record keeping, records are manually written in a book. Also, wooden structures are used for housing drugs instead of the modern version made from aluminum. In terms of external forces in the environment, the pharmacy is sandwiched between a bar and a mechanic

shop. The mechanics do not have a large area to work with, so they place cars for repairs at the parking spaces of customers coming into the pharmacy. This blocks the entrance to the pharmacy as the parking space is directly in front of the pharmacy. On the other hand, a bar on the other side of the shop plays loud music, and this hinders interactions between the employees and customers. This poses a problem because the shop does not have an air-conditioner, so the door is left open. Drunkards from the bar pose as threats to customers.

It was gathered that Lemish Pharmacy has access to some resources because of their membership in the Pharmaceutical Society of Ghana. Most of the problems mentioned were internal - issues that the company has to solve within. Due to their membership, they have access to information on drugs, diseases and many more, strategic program sessions and recommendations from unannounced assessment visits. Insights from the owner of the company reveals that the company is indeed in a distressed state with its main problems being financial problems, poor infrastructure, economic status of customers which affects their purchasing power and inadequate medical services. He however goes on to add that the number one factor stifling the growth of the company is lack of leadership in terms of the level of attention and direction given to the company. The company has fashioned its operations according to the industry and international standard, but these problems are stagnating the growth of the company.

A majority of the customers stated that they received good customer service from the pharmacy. However, almost all customers interviewed said that one thing the company was not doing well with was their stock - they sometimes do not get the drugs they require even though a few are satisfied with getting the drugs they need. The three main reasons why

customers keep coming back to the pharmacy are proximity, effective drugs and ability to get the drugs they need.

One of the suppliers pointed out that the pharmacy does not follow payment plans for the drugs ordered. Other information received points to the fact that there are low sales from low stock. However, payment to the supplier is mostly on credit, so the pharmacy receives their next orders after they have completed initial payments.

### 2.3.3.2 Observations

*Table 3: Observations Inside & Outside the Shop*

Observations Inside Shop	Observations Outside Shop
<p>Employees are most of the time idle when not attending to customers.</p> <p>At some point, the employee listens to the radio when not attending to a customer.</p> <p>Time intervals between customers that walk in are wide.</p> <p>Demand is low as only a few customers walk to make purchases.</p> <p>Not all customers buy drugs - some buy water.</p> <p>Infrastructure and some equipment are old and poorly maintained.</p> <p>Computerized systems are not used for record keeping and other operations.</p>	<p>There is a signboard that indicates where the pharmacy is.</p> <p>The physical appearance of the shop is not really attractive.</p> <p>The shop is located in a busy place - by a main road.</p> <p>Pharmacy is surrounded by a mechanic shop and a bar.</p> <p>The mechanics place cars to be repaired at the parking lots in front of the shop even though it is meant for customers coming to the shop.</p> <p>Customers who do not have space to park, park at the edge of the road.</p> <p>A lot of noise is produced outside the shop.</p> <p>An advertisement of a product was made using a big poster and placed in front of the shop.</p>

<p>Employees find out what is wrong with customers, prescribe drugs and offer advice.</p> <p>Customers are not always able to get the drugs they need.</p> <p>Suppliers come to the shop to remind employee of unsettled payments.</p> <p>Drugs sold are relatively cheap.</p>	<p>Noise produced from outside during the day come from the mechanics in front of the shop.</p> <p>Friends of employees pass by to exchange greetings.</p>
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Observation was one of these qualitative tools used in gathering data. Observations took place 3 times within a duration of 3 weeks. Those times were twice in the afternoon for about 2 and half hours to 3 hours and once from afternoon till evening for about 3 and half hours. This was to get a sense of demand and operations during the day and at night. The observations were based on what happened inside and outside the shop. That is, what employees do during their work period, how they treat customers, what customers buy, how often customers walk in and how the external environment and neighbors affect operations of the firm. Observations revealed what transpired in a typical day which includes how customers are received and addressed, how sales are made and recorded, other general operations of the company and the environmental influences on the company.

The pharmacy has people of different age ranges and professions coming to make purchases at the shop. School children and the nearby mechanics were found to mostly buy water from the shop. It was observed that just a few customers come in a day. Sometimes only 10 or less purchases are made throughout the day. Drugs sold are not expensive, so they make low sales due to low purchases. It was observed that sometimes when customers walk in, the pharmacy does not have the needed drugs. The employee on duty can sit for

several minutes before a customer walks in and she does not really perform tasks when not attending to customers.

The pharmacy shop is mostly quiet apart from times when friends troop in to greet and customers come to purchase drugs. Some interior and exterior parts of the pharmacy are not in good condition.

### *2.5 Data Analysis and Results*

For data analysis, theme development was used. This is to help find out the main problems that company was facing and to come up with an efficient solution that addresses the problem. Codes and themes were generated and analyzed to bring out the main issues affecting the company (Caulfied, J. (2019)

*Table 4: Codes & Themes for Qualitative Analysis*

Codes	Themes
Acknowledgement of the poor state of the company.	Awareness of current state
Poor organizational structure	
Dislike for the attitude of mechanics.	Dislike for negative environmental influences.
Dislike for noise created by the bar.	
Inefficient modes of operations.	Inefficiency
Inefficient means of obtaining revenue.	

Dissatisfied with low stock.	Dissatisfaction
Unhappy with low turn-out of customers.	
Dissatisfied with low sales.	

### *2.5.1 Gap Analysis*

This analysis is one that would identify the loopholes in the operations of the business and reveal the things that prevent the company from achieving its goal. The difference between the current state of the business and where they want to reach is clearly seen in this analysis.

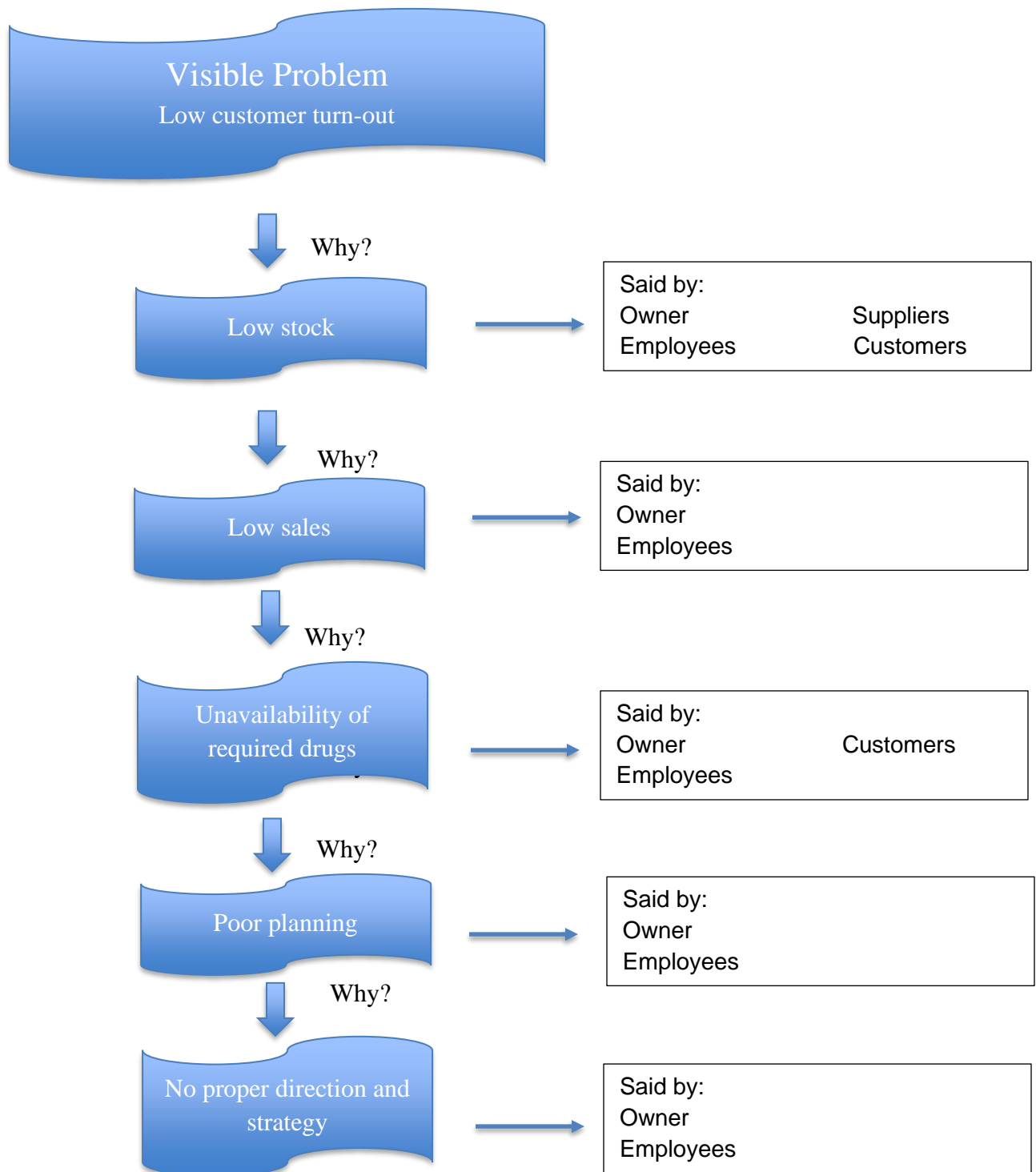
From the responses received and observations made, the company lacks a plan and guide that would enable them to make effective decisions. The current state of the company is a distressed state - where it cannot generate enough revenue from cash inflows to run its operations or meet its obligations (Kenton, 2019). From the observation, as well as reviews obtained from customers, suppliers and the owner, it can be said that the company has committed and diligent workers. Resources are available to the company through its membership with the Pharmaceutical Society and through other means. The company is just not able to effectively and efficiently utilize its resources to its benefit.

Attention given by the owner to the company is very minimal as he works for a different company. He admits that he does not have a structure for running his business and specific goals that he wants to meet. However, one thing we know he wants is for his business to be the best private pharmacy in the community (since it is a community-based pharmacy) that provides the most efficient pharmaceutical services. The gap in the business is what calls for a **business plan**.

### *2.5.2 Root Cause Analysis*

This is an analysis where tools and various approaches are used to pinpoint the main cause of a problem, normally termed as the “high-level cause” of a problem (*Foster, 2018*). Root Cause Analysis can be done in various ways. However, for the purpose of this project, the 5 Whys Approach was used. This is an approach that probes deeper and further into the company’s issues, to find out the underlying cause of problems in the company.



*Figure 1: The 5 Why's Diagram*

From the diagram, it can be seen that the visible problem in the company is low customer turn-out and that stems from other company problems. What causes stock to be low is low sales. When there is low stock, customers move to a different pharmacy shop to get what they need. So Lemish loses out on revenue. Lemish also lacks the financial ability in terms of capital to purchase the required drugs for sale, provide good infrastructure and improve business operations. This is as a result of employees not receiving directions and instructions from the owner. The owner does not have a clear-cut strategy as to how he wants operations to be run in the pharmacy. His aim is to follow international standards, but he has not figured out how to go about it. The company does not have an organized plan that guides how the different aspects of the business run and how desired results and goals can be achieved.

### *2.6 Problem Statement*

Lemish Pharmacy needs a business plan and guide that would help to structure the company in order to give it the opportunity to meet its goals and objectives. Lemish pharmacy has the potential to grow, yet faces many challenges. The firm has expressed interest in trying to solve its problems. The owner of the firm has realized that the company does not have a proper structure and procedure for carrying out various activities. External and some internal resources are available to the company for growth and sustainability. However, the company lacks a structure that would enable it to gain competitive advantage. The employees and most of the customers have reviewed the company and highlighted that the pharmacy lacks stock of drugs, which is reducing its sales. The main aim of a pharmacist is to administer drugs to people so if it lacks drugs, then the effectiveness of the company is extremely low.

### *2.7 Conclusion*

The main problems identified by more than one key player of the business shows that those are actually the areas the company is struggling with. The Gap and Root Cause Analysis tend to reveal that the company is in dire need of a business plan, which would help to structure the company's operations, help make better decisions and give it a competitive edge over other community pharmacies.

## **CHAPTER 3: MASTERY OF SUBJECT**

### *3.1 Chapter Overview*

This chapter gives an in-depth understanding of the project topic and discusses the problem found from the needs assessment – which is the lack of a business plan. What other researchers have said about the problem and the solutions and frameworks they have used in addressing the problem would also be explored in this chapter. This is to help with generating a solution that would be of value to Lemish Pharmacy.

### *3.2 Key Concepts*

**Business Plan** - A business plan is a guide that enables businesses to structure their operations in terms of the market in which the business would operate and how it would generate money (The Prince's Trust, n.d). This gives businesses a competitive edge over others - making them sustainable even when others are struggling. Business plans help businesses to make specific choices which help with decision making and provide a platform for finance knowledge and management.

**Organizational Structure** - This has to do with a business design that focuses on the hierarchical structure, roles and responsibilities, leadership, relationships and competence of a business (Tran & Tian, 2013). This is where a business defines boundaries through assignment of tasks to key players and through the control of resources to enhance efficiency.

Strategic Planning Process - This is a management tool that helps businesses to formulate plans which help them achieve their firm's goals while giving them a competitive edge over other firms (Neis et al, 2017). This is where a company's business strategy emerges from (plans and actions that help businesses to create value and be of benefit to its target market).

Management System – This deals with processes and policies within an organization that seeks to improve organizational performance and achievement of set targets and goals (Tiller, 2012). This promotes and determines the groups of businesses.

### *3.3 Strategic Planning Process and Organizational Structure relationship*

A company's strategy emerges from its strategic planning process and the organizational structure tends to coordinate how work is broken down into several smaller tasks (Neis, Pereira & Maccari, 2017). A company's strategy determines how its organization would be structured. This is because work assigned must be in line with the organization's goals and objectives. The organizational structure is what would enable a business to implement its strategy. The strategic planning process directly affects the organizational structure because it is the deciding factor on how various sections and departments within the business would coordinate with each other to achieve the same objectives.

### *3.4 Management System and Organizational Structure relationship*

Businesses need to plan, hold meetings and disseminate roles among employees to make leadership more effective (Tiller, 2012). This would in turn enhance operations as

employees would be aware of the key roles they have to play within the organization. Members of the company need to have access to information regarding goals, objectives and operations of the firm for better coordination.

### *3.5 Solutions to Poor Organizational Structure*

#### *3.5.1 Decentralization*

Innovation and creativity from individual workers are welcomed in this type of structure (Elsaid et al, 2013). This gives employees more freedom and the ability to contribute massively to the organization. Decentralization reduces the power and control in the hands of managers and places it in the hands of line managers. This organizational structure tends to solve tensions and lack of innovation in organizations. However, one disadvantage is that coordination becomes difficult as different policies need to be made to accommodate different initiatives.

#### *3.5.2 Centralization*

Organizations with a centralization structure have management controlling operations of the company (Elsaid, Okasha & Abdelghaly, 2013). Decisions are taken by various managers and then relayed to employees. Employees have limited authority in the organization and need to seek approval before taking initiatives. This keeps employees in check and ensures that they do not deviate from the objectives of the firm.

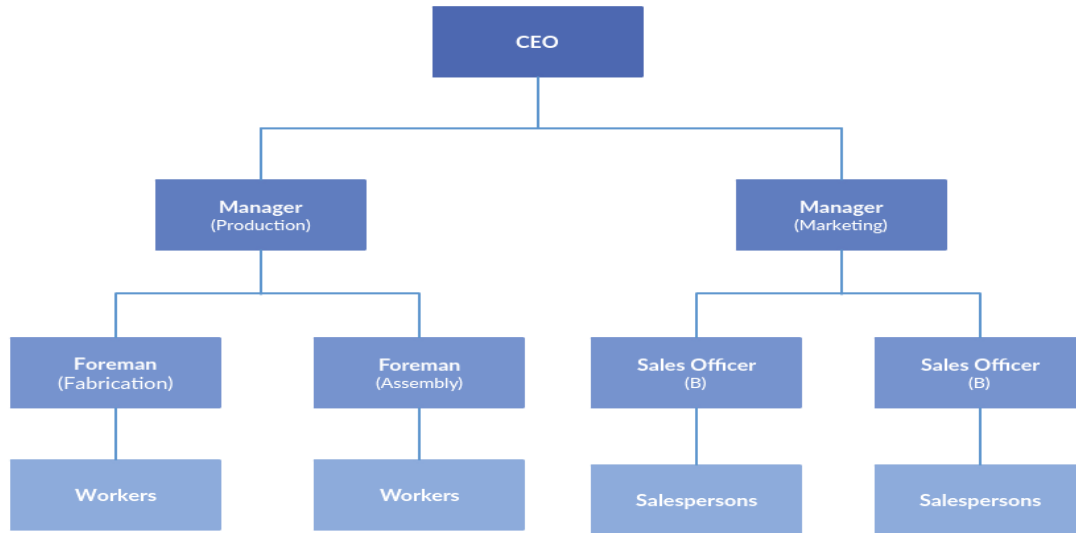
*Figure 2: Centralization Vs Decentralization*



Source : (Surbhi, 2017)

### *3.5.3 Organizational Chart*

An organizational chart determines communication and workflow in an organization. This introduces a hierarchical structure that shows that information flows in a downward manner from managers to employees in various departments. Research continues to show that communication currently tends to be horizontal. That is, it occurs amongst individuals and departments rather than from top management to employees in most modern organizations (International Federation of Accountants, n.d). An organizational chart enables an organization to list its needs, link employees to current positions available, examine its employees and create a human resource budget that focuses on human resource related activities (Ashe-Edmunds, n.d).

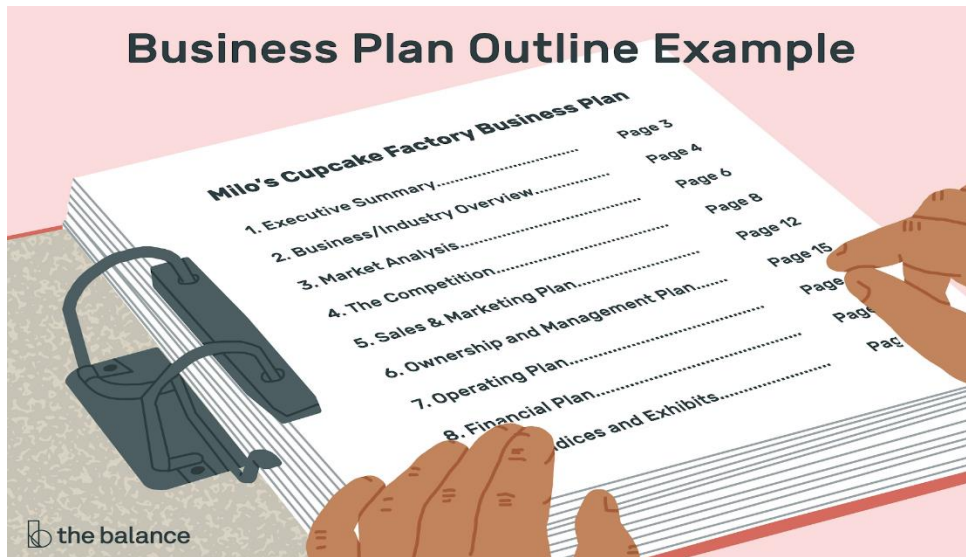
*Figure 3: Organizational Chart*

Source: (Creately, 2019)

#### *3.5.4 Business Plan*

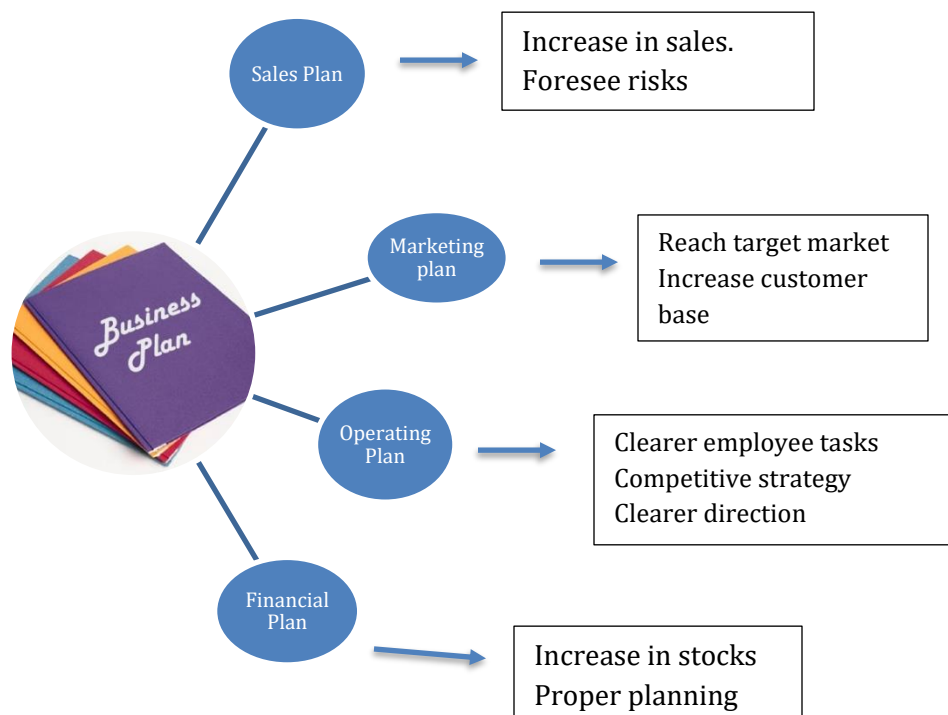
A business plan can be considered as a management system (Tiller, 2012). This is because a business plan serves as a basis for strategy and decision-making. Successful businesses tend to have a system that enables them to plan ahead, have good leadership styles and are able to focus on the goals of the firm. This is exactly what a business plan does - it helps businesses to plan how they can compete in their chosen industry and operate in a way that meets the firm's vision and missions.



*Figure 4:Business Plan*

Source: (Ward, 2020)

### 3.6 Proposed Solution

*Figure 5:Proposed Solution Analysis*

Interactions with the owner of Lemish Pharmacy revealed that a business plan is needed. Data collected from stakeholders of the business reveal that the business has some resources available at its disposal but lacks in a few. Lemish Pharmacy has figured out the industry it wants to operate in and the general requirements of that industry, the employees it needs and those that would help in meeting industry standards (suppliers, regulators and pharmaceutical society). However, the company does not have a document that outlines its vision, mission, goals, objectives, a defined competitive strategy and how to take advantage of opportunities available. As such, the pharmacy needs a guide to structure operations of the company especially since the leadership of the business is ineffective due to a poor business structure.

There are three theories that frame the concept of Business Models in a firm - Stakeholders Theory, Convention Theory and Resource Based View (Verstraete, 2007). The last theory would be discussed in relation to the proposed solution. The Resource Based View Theory focuses on using resources to obtain a competitive advantage over other businesses. The competence of a business improves when the business decides to incorporate new resources and train employees. Lemish Pharmacy does not have a procedure for training its employees and that affects the productivity of the business. This theory suggests that a business can strategize by using its resources.

Centralization, decentralization and organizational chart would not address the root cause of the company's problems. These are concepts that focus on improving a poor organizational structure. However, they tend to focus more on employee relationships and hierarchy which are not the factors causing the pharmacy to be unproductive. They do not meet the company's core needs.

From interview insights and observations, it is clear that the company needs a sales plan, marketing plan, operating and financial plan. Figure 5 above shows that the different plans would help the company to solve its major problems as well as the root cause of the company's inefficiency. A business plan would encompass all these sub-plans which would help to meet company goals.

A business plan is prepared to generate an actionable plan that would help businesses to achieve strategic and corporate growth as well as acquire funds needed to run operations (International Federation of Accountants, n.d). It also serves as a roadmap, blueprint and a tool for efficient development. A majority of the customers interviewed mentioned that the company is not doing well with their stock. Having a business plan would help the company to structure its procedures and operations. Therefore, the proposed solution to move Lemish Pharmacy from a distressed state to the most efficient community pharmacy is a business plan.

## CHAPTER 4: SOLUTION AND IMPLEMENTATION PLAN

### 4.1 Chapter Overview

This chapter focuses on the proposed solution mentioned in chapter 3 of this paper. The main problem of the company was determined through the Gap Analysis and this analysis revealed that the company lacked a plan that it needed to inform and guide its operations and decisions. This problem has in turn led to many other problems since it is the root cause of the firm's distressed state. The solution for Lemish Pharmacy is that of a Business Plan. The Lite Business Plan would be used since Lemish Pharmacy is a small business. This solution (The Lite Business Plan) is in 4 parts, namely: Company Profile, Market Research, Sales, Marketing and Financials. The Business Plan for Lemish would take the format of a Business Plan Lite used by feedMeideas (2017).

### 4.2 Solution: Lite Business Plan

#### 4.2.1 Company Profile

##### **General Business Information**

- |                               |   |
|-------------------------------|---|
| • Company Name                | - Lemish Pharmacy   |
| • Head Office Address         | - Mataheko, outer ring road, Hse # B181/14                                    |
| • Phone Number                | - 0200265926, 0302305844  |
| • Company Status              | - Registered  |
| • Contact of Person in Charge | - <a href="mailto:ishpaulo@yahoo.co.uk">ishpaulo@yahoo.co.uk</a> , 0200265926 |

##### **Business Details**

- |  |  |
|--|--|
| • Date of creation                     | - 5th December 1996  |
| • Main Areas of Activities of Business | - Pharmaceutical care  |
| • Main Products                        | - Antibiotics, antimalarials, anti-infectives, cold and cough remedies, pain - killers, dressings, cosmetics and toiletries. |

- Main Services - advice on healthy living, counseling on rational use of drugs, as well as curative and preventive services, pain management and the treatment of common ailments such as malaria.
- Principal Customer Industries & Geography - Pharmaceutical industry in Ghana

### **Business Capacity**

#### **Human Resources**

- Business Organization - Limited Liability Company
- Number of Employees - 2 (1 permanent and 1 temporary)

#### **Financial**

- Financial status - Financially distressed/ unstable

#### **Technical**

- Company Capacity for business in Terms of Qualifications & Certifications
- Licensed Pharmacist.

#### *4.2.2 Market Research*

The Retail Pharmaceutical Industry has customers walking into pharmacies to purchase drugs (Shaftoe, 2020). This industry is made up of community pharmacies, huge drug store chains and supermarkets. Competition in this industry is very strong and this pushes retailers to adapt to changes in market trends, enabling them to retain customers. There are different retail pharmacy outlets which include independent licensed pharmacies that make sales on drugs and national or regional chains. There are some pharmacy chains that make use of the franchise model. Majority of these retail stores deal in over-the-counter sale and purchase. Some also decide to include services of workers and products that focus on personal care, beauty-related items and other products that can generate extra revenue. Workers of different types and qualifications are employed to work in retail pharmacies. Managers take charge of various operations that are undertaken in the pharmacy.

Pharmacists are required to have a degree and license before they can perform their pharmaceutical roles. Profits are mainly made from the sale of drugs. As at 2008, the industry's revenue amounted to over \$307 billion. A huge percent of revenue of about 90% is generated from independent pharmacy shops through prescription sales and only 60% from chain pharmacy shop also through prescription sales. This points to the fact that the retail outlets depend on available drugs to draw in customers. The retail pharmacy industry is just as affected by trends as other businesses. Within a period of 10 years, from 2000 to 2010, large retail pharmacy shops have experienced growth and increased in numbers. This is a trend that caused customers to move from specialty pharmacies to large retailers as they had more drugs and a higher form of variety. Another trend occurring is that the Baby Boomer population (those born between 1946 and 1964) is aging and moving into retirement. This means that there is increased demand for producers and sellers of prescription drugs (Hartman, 2020).

The key competitors of the retail pharmacy industry in Ghana are mail- order firms, supermarket chains and mass merchants. Mail- order firms are firms that provide customers with the option to place orders from company websites through mails, phones or the internet. Supermarket chains are businesses or companies that offer a wide range and variety of goods and service to customers. Mass merchants are stores that offer a greater quantity of varying products to a huge number of people.

*Table 5: Lemish Pharmacy SWOT Analysis*

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Capacity to provide services to all income-classes.</li> <li>• Trust and reliability by customers</li> <li>• Problem solver - accuracy in administering drugs</li> <li>• Good communication skills</li> <li>- Ability to understand the problems / needs of customers.</li> <li>• Attention to details</li> <li>• Main supplier of drugs to hospitals</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of business plan</li> <li>• No proper training for employees</li> <li>• Poor organizational structure</li> <li>• Lack of right tools and equipment.</li> <li>• Poor recording keeping.</li> <li>• Poor supervision</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Access to the resources of the Pharmaceutical Society of Ghana.</li> <li>• Recommendation by current customers to potential customers.</li> <li>• Accessibility to different classes of people.</li> </ul>	<ul style="list-style-type: none"> <li>• Inflation</li> <li>• Poor economic performance</li> <li>• Competition</li> </ul>

Adapted from: (Parsons, 2018)

*Table 6: Competitor SWOT Analysis*

## Mail - Order Firm SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>● High stock</li> <li>● Easy and fast way of ordering drugs</li> <li>● Increase in customer base</li> <li>● Ability to meet needs of customers with overly sensitive personal medical issues.</li> <li>● More room for differentiation as products are specialized.</li> </ul>	<ul style="list-style-type: none"> <li>● Increase costs to customers due to delivery charges.</li> <li>● Inability to communicate and give counselling to customers (face - to - face conversations are the richest forms of communication).</li> <li>● Increase in salary and wage expenses.</li> <li>● High distribution investments</li> <li>● Low profit margins</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>● Access to paralyzed, disabled or persons who are physically challenged.</li> <li>● Access to funds from private investors, banks and other sources.</li> <li>● Increased profitability as revenues are not subject to economic changes.</li> </ul>	<ul style="list-style-type: none"> <li>● Exposure to fraud</li> <li>● High competition as other pharmacies are moving into the online operations space.</li> <li>● Frequent changes in regulations due to the nature of business.</li> </ul>

Adapted from: (Parsons, 2018)



## Mass Merchants SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>● High stock</li> <li>● Acquisition of necessary products by customers</li> <li>● Large customer base</li> <li>● Large cash inflows / revenue</li> <li>● High variety of products.</li> </ul>	<ul style="list-style-type: none"> <li>● Inability to address personal one-one issues with buyers.</li> <li>● Lack of effective communication flow due to many employees</li> <li>● Management may not have enough time for its employee.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>● Access to funds from private investors, banks and other sources.</li> <li>● Increased profitability leading to more opportunities for investments and expansion.</li> <li>● Employment of more people leading to more expertise.</li> </ul>	<ul style="list-style-type: none"> <li>● High competition among other pharmacies.</li> <li>● Economic conditions such as inflation may affect pricing.</li> <li>● Exchange rate fluctuations</li> </ul>

Adapted from: (Parsons, 2018)

## Supermarket Chain SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>● High stock</li> <li>● Easy and fast way of ordering drugs</li> <li>● Large customer base</li> </ul>	<ul style="list-style-type: none"> <li>● Inability to address personal one-one issues with buyers.</li> <li>● Inability to address personal one-one issues with buyers.</li> </ul>

<ul style="list-style-type: none"> <li>• More room for differentiation as products are specialized.</li> <li>• Higher level of customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of effective communication flow due to many employees</li> <li>• Management may not have enough time for its employee.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• More room for investment and expansion</li> <li>• Access to funds from private investors, banks and other sources.</li> <li>• Economic boom would increase the firm's productivity/</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange rate fluctuations</li> <li>• High competition from other supermarket chains and importers.</li> <li>• Inflation</li> </ul>

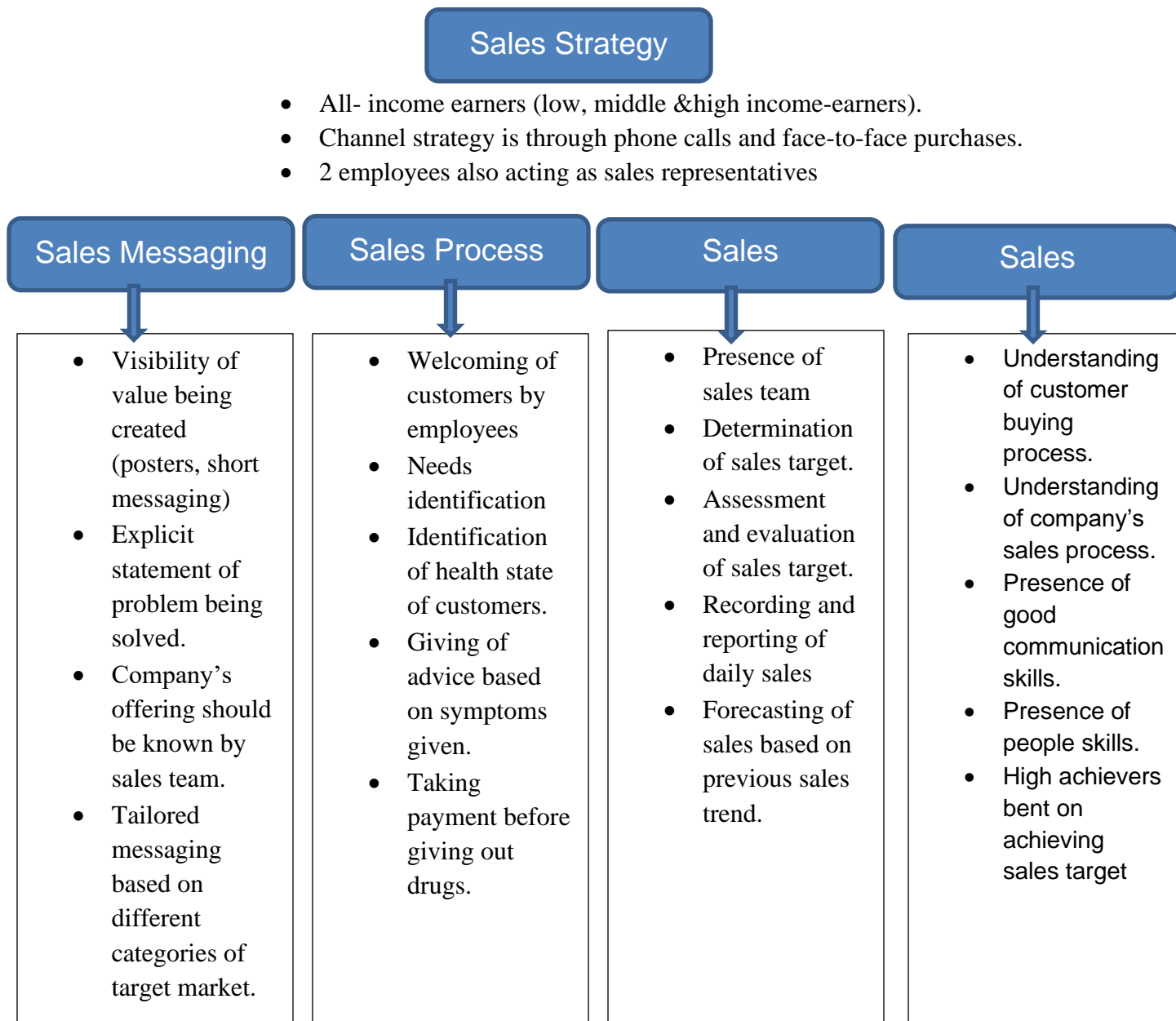
Adapted from: (Parsons, 2018)

Lemish Pharmacy has decided to target all types of income- earners. They form the customer base of the company. This includes high income -earners, middle income-earners and low-income earners. This is to attract and serve as many customers as possible and increase the company's revenue base. Anyone that needs pharmaceutical care is a potential customer to the pharmacy and as such all persons are welcomed to make purchases from the shop. Since Lemish Pharmacy is a community pharmacy, the community members form the major customer base of the pharmacy. The market size of the company should always be determined. It can be determined by counting the company's potential customers or transactions made.

### 4.2.3 Sales and Marketing

Pricing of drugs is determined in a way that is customer-friendly and at the same time enables the firm to cover its marginal costs and make profit. This would allow the firm to meet the needs of all its customer segments, especially the low income-earners

Figure 6: Sales Plan



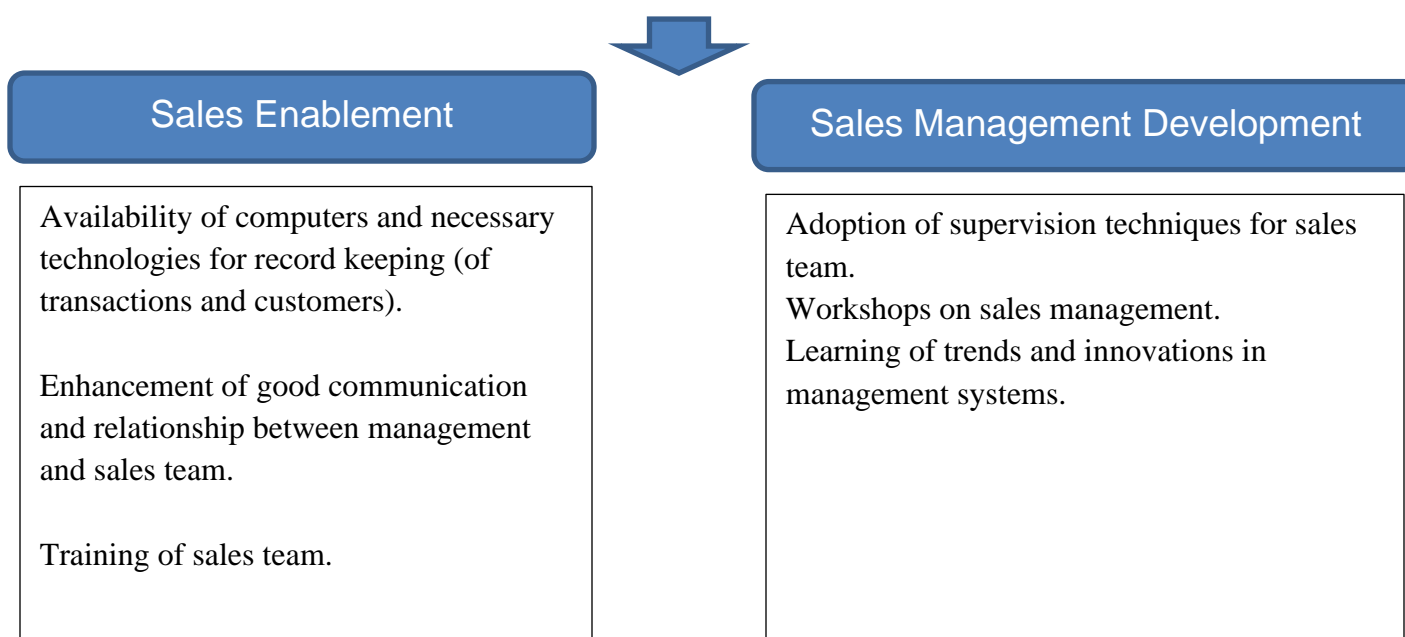


Table 7: Marketing Plan

Business Objectives	Marketing Priorities	Marketing Goals	Marketing Strategy	Key Actions	Dependencies & risks
Sustainable	Customer acquisition	Increase market share by 15%	Branding (company image)	Acquiring a tagline and logo	Financial stability
Most efficient private community pharmacy	Customer retention	Increase sales by 40%	Positioning (unique offering)	Acquire a marketing team	Acquire more employees with media expertise
Most preferred private community pharmacy	Customer satisfaction	Increase customer base by 50%	Loyalty programs	Frequent market research.	Availability of resources (necessary technologies and infrastructure).
	Customer growth	Increase Revenue by 50%	Promotions and discounts Collaboration with media houses (radios)	Workshops/ training on marketing techniques	

		Improve company image	and television stations)		
		Increase company presence			
		Increase referrals			

Adapted from: (Getscher, 2017)

Advertising plans include means by which a huge customer base can be achieved. That is, advertisements through media such as television, social media, billboards (posters and signposts) and radio. These channels will help to reach different categories of customers captured in the company's target market, which include the youth, the elderly, the rich and the poor. The company takes advantage of and adapts to market trends. Therefore, as the industry evolves and new ways of reaching customers are developed, the company would also adapt to such changes and advancements. A person solely in charge of advertisement would help to push the company's brand and image forward and create awareness on products and services offered. This strategy would ensure that more customers are being reached on a regular basis. This person would oversee relaying and communicating information in various ways that are meaningful to potential customers and even suppliers. A good representation of the company would draw more suppliers to establish a relationship with the company. Potential customers would be made aware of the value and benefits that they can receive from the firm (high price performance ratio where customers get value for their money).

*Table 8: Operating Plan*

Operational Goals	Key Success Indicators	Procedures
Aesthetical efficiency	Proper packaging of drugs	New drugs being sold should not be opened before selling, unless requested by the buyer.
Provide quality services and products	High quality products. Rejection of expired products Positive feedback from customers and suppliers	Expiry dates of orders being received from suppliers should be checked. Expired products should not be sold. Concern for customers should be expressed.
Process and Capacity efficiency	Variety of products High stock of products	Purchase high-demand and fast - moving drugs  Ensure availability of infrastructure and facilities to accommodate demand.
Locational advantage	Increase in customer base	Branches should be cited at well populated areas.
Workflow efficiency	Low or no information barriers Low or no information asymmetry (relevant information is known by all)	Organizational structure should enhance flow of relevant information. Technologies and facilities needed for performance of tasks should be available.
Proactive and effective employees and job design	Understanding of tasks assigned by employees Proper execution of tasks Seeking clarification on tasks assigned	Employees should be given training for development. Jobs description should be detailed out. Rewards and sanctions should be implemented accordingly.
Good supplier relationship	No complaints from suppliers	Payment plans should be followed. Respect should be shown to suppliers.
Good inventory management	Just enough stock for changes in demand.	Inventories should not be kept for long and sold for revenue.

	Less products expiring on the shelf.	Expiry dates of drugs should be taken into consideration. Frequent checking of the state of drugs should be done. Drugs that are needed should be bought.
Efficient scheduling of activities	Meeting deadlines and objectives Less delay time in achieving targets	Performance of tasks should be on time to meet deadlines. Each member of the company should plan and be time conscious. Delay in an activity due to delay in a predecessor activity should be minimized.
Effective maintenance culture	Smooth running of tasks Low rate of deterioration of materials	Infrastructure and facilities should be well maintained. The right tools should be used for the right job. Products and tools should be placed at their appropriate places. Procedures laid down by the company should be strictly followed.

Adapted from: (SlideGeeks, 2020)

Operations in the company should be understandable and made known to employees for easy, effective and efficient performance of assigned tasks. The manager of the company would always be directly involved in the daily running of the business. Reports on sales made, number of customers, status of facilities and infrastructure, stock and all other aspects of the business should be given to the manager on a regular basis. Observations and occurrences that have any influence on the company's operations, should be taken seriously and reported to the manager. To keep things running smoothly in the company, the manager would ensure that employees are kept abreast of any new information, knowledge and innovation. This would boost the profitability and growth of the firm.

While employees sit behind the counter waiting for customers, learning and industry- based materials would be made available for them so that idle hours are turned into productive hours. Daily, weekly or monthly routines on infrastructure and stock would be made to increase maintenance levels and proficiency of the pharmacy. Employees on duty during their working hours oversee attending to the needs of customers and suppliers. They are to take charge of business affairs, both within and outside (the environment) the pharmacy. The surroundings are to be conducive to attract customers and not hinder interactions between customers and employees (or sale representatives). Sales made during the day are to be recorded, and frequent purchases of drugs should be tracked to determine fast-moving and most-wanted drugs. Suppliers are to be treated with respect and compliance. Lemish Pharmacy should always be in good standing with its suppliers. Payment plans and agreements would be followed. It is required of the employee receiving supplies to ensure that drugs are wholesome, neatly packaged and not expired.

#### *4.2.4 Financials*

*Table 9: Financial Plan*

<b>Financial Goals</b>	<b>Tactics for Goal Achievement</b>
Increase revenue	Increase in stock Increase in variety of drugs Service and product package differentiation
Reduce cost	Negotiations with current suppliers on price discount etc. Acquire new low - cost suppliers Get rid of worn out and dysfunctional infrastructure and equipment. Cut down on the use of electricity until enough revenue is generated to cover expenses.
Debt control	Purchases should be made more with cash than on credit.



	Current debt should be cleared before credit purchase is made again.
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Adapted from: (Voigt & Yochim, 2020)

#### *4.3: Implementation Plan*

*Table 10: Implementation Plan*

<b>Solution Components</b>	<b>Person Responsible</b>	<b>Method of Execution</b>
Financial plan	Management	Budgeting, analysis of financial statements to determine final status of the firm and to make projections.
Operating plan	Employees	Employees should ensure that receiving, attending to and value delivery to customers are executed well.
Sales Plan	Employees	Employees must understand the buyer and sales process and ensure that records are being kept well and transactions are being made.
Marketing Plan	Management and employees	They must both ensure that they reach their target market. Visual and written text representations must be made to communicate the company's value to the customer.
Reviewing of Solution (Business Plan)	Management	Assessing alignment of business operations to business plan. Tweaking solution to meet the resource capabilities of the firm.

##### *4.3.1 How Solution Should be Used*

The different components of the solution should be assigned to those stated in the implementation plan. Before this solution can be used, management must review it and think through how best it can be communicated to the employees for easy understanding and implementation. Workshops and training sessions need to be held for the employees

to make the solution effective. A simulation of a typical day could be done so that employees can follow the structure and plan for handling sales, marketing and operations. Both management and employees need to understand that due to their number in the business, they would have to perform multiple roles and tasks until the business has the capacity to employ more people.

#### *4.3.2 When & How Often the Solution Should be Used*

The solution can be implemented in the next financial year of the company which starts from 30<sup>th</sup>. This is to give them enough time to prepare and meet the requirements of the solution. It is advisable for management to start implementing the solution when they are ready to put in more effort, time and resources into pushing the company to its next level. However, if the company feels that it has enough capacity to start the implementation process before the next financial year, they can go ahead. The solution should be used all the time as it serves as a guide for the daily operations of the business. When employees and management understand the requirements of the solution, they can then implement it. The solution should be reviewed as and when management deems fit.

#### *4.3.3 How Solution Should be Measured, Tracked & Maintained*

For value to be added to the company, management must conduct routine checks that could be monthly, weekly or biweekly. Management needs to measure the outcome of the procedures used in the business against the outcome expected from the detailed procedure in the solution. Tools such as total quality management tool and key performance indicators could be employed to track and measure the success of the firm's operations. The resources needed to keep the solution relevant include management, employees, modern systems

such as computers for efficiency, ample time dedicated to the business, good infrastructure and capital (funds). These would help the company meet the requirements of the solution.

## **CHAPTER FIVE: RECOMMENDATION AND CONCLUSION**

### *5.1 Chapter Overview*

This chapter focuses on bringing together key discoveries in the entire project. It emphasizes modifications that the company is likely to adapt to with the proposed solution. The chapter would also go on to discuss some pitfalls or challenges that the company is likely to face, and some limitations faced during this project would be highlighted.

### *5.2 Key Insights*

The needs assessment reveals that the company faces many issues with the prominent ones being low stock, low sales and low variety of drugs. The root cause analysis that was conducted revealed that the lack of a business plan is the root cause of the company's problem. This main problem has led to the rise of other problems and the stagnation of the company. Literature found shows that a business plan enables businesses to make better decisions as proper structures for implementation are put up. Operations are handled more efficiently, in a way that enables the company to meet its objectives. A business plan would enable Lemish Pharmacy to identify and come up with competitive strategies to meet customer needs and create value for itself.

### *5.3 Changes to Be Adopted in the Running of Lemish Operations*

For operations to be run effectively, management has to be effective and ensure they fully understand the requirement needed to help the company achieve its goals. Management must be ready to engage more with employees to better pass down relevant information that would aid in the better performance of assigned tasks. To ensure and check quality,

Lemish must be willing to employ tools such as Total Quality Management tools (eg Pareto Principle and Check lists) and Key Performance Indicators (KPI's).

#### *5.4 Some Pitfalls to Look Out For.*

The solution and implementation plan suggest that more activities and tasks need to be undertaken by both employees and management in order to meet the requirements of the Business Plan. This may pose a challenge since there are only 2 employees, with one being a non-permanent worker. Implementation may be a bit difficult at the beginning, especially with the current state of the company. However, with timelines, deadlines and little steps, the company can increase its operational effectiveness with the resources available to them.

#### *5.5 Limitations*

One major limitation that was faced while undertaking this project was language barriers between the project lead and some of the customers. Due to the location and broad customer segment of the company, some of the customers in the community are not literates, as such they could not communicate in the English language. This made it difficult to interview them to acquire the necessary data needed for the project. The employees of Lemish Pharmacy decided to step in and offer help to these customers so that accurate information could be obtained.

#### *5.6 Lessons Learnt*

This project taught me how to work fast and meet deadlines. With meeting deadlines, I learnt that I have to work ahead of schedule so that I can make up for delays. Those I needed information from were busy people and that meant that they may not be available

at times than I am available. Working with the relevant people on a new project is extremely beneficial as you are able to acquire the necessary information to complete the project. The practicality of this project helped me to use knowledge and experience acquired throughout my four years in Ashesi (group works, project works etc) helped me to better undertake this project. I also learnt how to work with people, especially the elderly and this increased my confidence. This was a great experience.

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## Appendix

### Appendix I: Interview Questions

#### Interview questions to Owner and Employees

- What major problems are you facing in the company?
- On a scale of 1 to 10, how would you rate the problems mentioned above, with 1 being the least important and 10 being the most important?
- What would you say is the number one factor stifling the company's growth?
- How would you describe the current state or phase the company is in?
- How are operations run by the company?
- On a scale of 1 to 5, how would you rate the efficiency of the company's operations, with 1 being the least efficient and 5, extremely efficient.
- If you had the chance to change anything, what would you change about the company?

#### Interview questions to Customers

- On a scale of 1 to 10, how would you rate the services of the pharmacy?
- What services do you require from the pharmacy?
- Are you satisfied with the customer service of the company? Please state your answer with a reason.
- What in your opinion is the company doing well with?
- What in your opinion is the company not doing well with?
- What makes you keep coming back to this pharmacy?

Interview questions to Regulator (Pharmacy Council and Ghana Revenue Authority) of the Pharmacy

- On a scale of 1 to 10, how would you rate the sustainability level of the business in terms of its revenue?
- Is the company (or pharmacies in general) able to meet its tax obligations?
- What would be your recommendation to help the pharmacy perform better?
- How does your role impact the operations of the pharmacies?

Interview questions to Suppliers

- Are you paid on credit or upon delivery?
- What supply issues do you face when making delivery to the company?
- What do you think the company is not doing well with, in terms of dealing with you?
- What do you think the company is doing well with, in terms of dealing with you? calls a day before
- How do you think the company can improve?

Interview questions to Pharmaceutical Society of Ghana

- What are the main problems that small-scale pharmacy's face?
- How can this be solved?
- What is the long-term goal for pharmaceuticals in Ghana?
- What resources are available to members of the association?

- How does the association influence the operations of the pharmacy?

## Appendix ii: Research Questionnaire

### Questionnaire (Questions from business model to Owner)

1. Who are your main target customers?
  - a. Low – income citizens
  - b. Middle – income citizens
  - c. High – income citizens
  - d. All income brackets
  - e. Other .....
2. What value do you seek to provide for your customer segments? Tick all that apply.
  - a. Accurate drug prescriptions
  - b. Patient counselling
  - c. Drug education
  - d. Other .....
3. What channel (s) or combinations of channels do you use to reach your customers? Tick all that apply.
  - a. Phone calls
  - b. Face – to -face interactions
  - c. Promotions
  - d. Loyalty programs
  - e. Delivery
  - f. Other .....

4. List your key partners in providing value to your customers and their role in the business.

.....

5. Which key resources (human and physical capital - tools and equipment) do you use in meeting your business objectives? State the types of human and capital resources used.

Human capital: .....

Physical capital: .....

6. What are the key activities that you engage in to meet your goals?

.....

7. Are your costs higher than your revenue? If yes, which costs?

Yes or No?

8. How are you able to generate revenue?

.....

9. Which methods do you use in catering for your expenses? Tick all that apply.

a. Low cost inputs

b. Credit purchase

c. Promotions

d. Other.....

10. Does the value you are providing meet the needs of customers? Yes or No. Justify why you think so.